

MINUTES  
EXECUTIVE COMMITTEE  
WORKFORCE INVESTMENT BOARD  
December 11, 2001

Chairman Bill Fisher called to order a meeting of the Executive Committee, Arkansas Workforce Investment Board at 9:00 a.m. on Tuesday, December 11, 2001 through teleconference originating from the Board office. Members who were able to participate included Gilbert Baker, Joe Dillard, Robert Drechsler, Bill Fisher, Steve Franks, Mary Beth Green, Alan Hughes, Gloria Lynn, Karen McFarren, Helen Moore, Bill Sutton, Joe Warren, Campbell Wilkerson and approximately ten public representatives. Larry Featherstone was unable to attend.

Chairman Fisher welcomed Jane English as the Board Director appointed by Governor Huckabee. He also thanked Ed Rolle, Director of the Arkansas Employment Security Department for participating in the call. Chairman Fisher announced that Rebekah Lee, the Governor's Deputy Chief of Staff, gave birth to a new son, Bauer Adams Lee, on Thursday, December 6 and both were doing fine.

Minutes: Bill Sutton expressed a correction to the minutes of November 13, 2001. He said that under announcements he did not attend the meeting of the Northwest Strategic Planning meeting but only reported on the meeting. **The minutes of the November 13 Executive Committee meeting were approved with correction on motion made by Bill Sutton, seconded by Mayor Joe Dillard, and carried unanimously.**

Report of Executive Director: Chairman Fisher asked Ms. English for her first Director's Report. She thanked the Governor for appointing her, complimented the staff on its professionalism, and complimented the Board for their dedication and commitment. She reported that the media days were about complete with the last one in Monticello on Thursday, which she would attend. Ms. English reported that the Annual Report for Program Year 2000 was submitted by the staff to the U.S. Department of Labor on December 3 and copies would be made available to the Board. She commented on the National Governor's Association Conference that she attended the week before, saying the information was very valuable and she had the opportunity to meet with other State Board Chairs and Directors. Ms. English reported that the Board staff continues to attend local board meetings, and she would attend the Little Rock Executive Committee meeting the next day. She said the regular quarterly information exchange would take place on January 14 and the lunch meeting of local board chairs and Chairman Fisher would be January 15 after the Board meeting.

Action Item 2 – Southeast Arkansas Workforce Investment Board Revitalization Plan: Chairman Fisher reminded the Committee of the requirement for the Southeast Local Workforce Investment Board to submit a revitalization plan to the State Board staff by November 30. He said the plan was received and the State Board Southeast Ad Hoc Committee met by teleconference on December 3 to discuss it. Chairman Fisher focused the Executive Committee on the narrative from that plan and the report of the Ad Hoc Committee in the agenda book. He said the Ad Hoc Committee felt the Southeast Arkansas Local Board should be commended for their comprehensive plan and recommended approval of the revitalization plan as submitted.

Campbell Wilkerson, Ad Hoc Committee member, agreed that the Southeast Local Board had only a short amount of time to create this plan and did an excellent job in meeting the requirements. Rebecca Trammell added that the Southeast Local Board mentioned they would be working on training their local board members and has scheduled a two-hour training session for next week. **The Southeast Arkansas Workforce Investment Board Revitalization Plan was accepted on motion made by Helen Moore, seconded by Robert Drechsler, and carried unanimously.** (A copy of the Southeast Arkansas Revitalization plan is carried as Attachment A to the permanent copy of these minutes.)

Information Item 3 – Report on Actions of the Arkansas Employment Security Department in Southeast Arkansas: Chairman Fisher explained that at the November 13 Executive Committee meeting, a request was made for an update on the procedures and actions taken by the Arkansas Employment Security Department (AESD) in the Southeast Local Workforce Investment Area. Chairman Fisher asked Ed Rolle, Director of AESD, to give that report. Mr. Rolle commented that he has physically placed staff in the Warren and Monticello Workforce Centers twice a week to evaluate and monitor the sites. He said the \$1.5 million in disallowed costs has now been reduced to approximately \$10,000 thanks to help from his agency and the U.S. Department of Labor. He said a check from Work Alternatives, Inc. has been submitted to cover the balance. Mr. Rolle said he would leave staff members at those locations as long as needed to assure everything is operating properly. Mr. Rolle explained the role of Southeast Arkansas Development District (SEADD) as the Administrator for the local board and Work Alternatives, Inc. as the Program Provider, both of which were selected by the local board appointed by the Chief Elected Officials. He explained that SEADD receives funding through AESD and is responsible for the lawful disbursement of those funds to programs in the Southeast area. AESD conducts financial monitoring of SEADD because of AESD's financial responsibility to the State Board. The Chief Elected Officials have the ultimate financial responsibility to the local board. Mr. Rolle explained some of Southeast local board's problems as being a disconnect between the Mayors and Judges, which has been resolved; the local board tying the hands of Work Alternatives, Inc. and SEADD by refusing to grant permission for additional staff and setting limits on expenditures; and the local board having no independence to make decisions because of a strong presence of Chief Elected Officials and failure to reach quorums at meetings. Mr. Rolle stated that he felt the local board is working hard to correct these problems.

Campbell Wilkerson asked if the State Board was premature in making a decision to remove Work Alternatives, Inc. from its role as Program Provider. Ed Rolle answered that he felt the Board was not premature because a major problem is the lack of competence for the role of program provider and the large financial problem that was created. Mr. Rolle clarified that Work Alternatives, Inc. staff has not been removed; they are still working with the additional staff of the AESD. He also explained that Work Alternatives, Inc. has appealed the State Board decision and nothing further could be done until the U.S. Secretary of Labor decides on that appeal. He said his staff would continue to monitor and stay in those areas until that time. Chairman Fisher agreed that the State Board would have to wait for the response from the U.S. Department of Labor before taking further action.

Ed Rolle said he would present a recommendation to the State Board and his agency will be ready to assume the role of program provider if the appeal is denied, having his agency work for

the Southeast Local Board until another provider is selected, just as Work Alternatives, Inc. did. Both Ed Rolle and Rebecca Trammell stated that the Southeast Local Board has taken steps to correct the local board organizational issues. Helen Moore asked about the business members' contribution to the local board. Rebecca Trammell answered that the Chief Elected Officials are appointing new business representatives and Steve Lux, State Board Member, has accepted an appointment to the Southeast local board. Campbell Wilkerson expressed his concern about conflict of interest issues among local boards. Stephanie Lopez, Director for the Little Rock Local Workforce Investment Board, commented that she has been approached by the Southeast Local Board to help with training. Chairman Fisher thanked Ed Rolle for the report.

Information Item 4 – Update on Corrective Action Plans: Chairman Fisher focused the Committee on pages 13-16 of the agenda book for information on the expenditure and obligation levels as of October 31 for the local boards. He updated the Committee on the three local areas that were still of concern. He said Little Rock met all their requirements; North Central has expended 100% of their JTPA and is close to meeting the other requirements. He said North Central's November numbers will be reviewed at the January meeting and Southeast was still noticeably underspent. Chairman Fisher touched on the issue of the State Board pulling funds from an underspent or underobligated area and reallocating those funds to other areas in need of additional funds. He said this would not be a consideration at this meeting, but possibly at the January meeting. He asked Ed Rolle if he thought the State Board could pull funds from Southeast even though the appeal was in process. Mr. Rolle said he felt that could be done since they are separate issues, but would need to be certain. He also mentioned the possibility of redistributing the One-Stop grant funds. Mr. Rolle said he would provide a recommendation before the January State Board meeting to Jane English on the procedure for reallocating funds. Rebecca Trammell informed the Executive Committee that Northeast was 100% obligated in youth, and dislocated worker funds while West Central was 100% obligated in all three funding streams, a correction to the agenda book. Stephanie Lopez asked if there would be an opportunity for other local areas to request a reallocation of those pulled funds. Chairman Fisher asked the Board their opinion and it was decided that the Board staff will send a memorandum to all local areas providing the opportunity to request more funds, by specifying the funding stream where the funds are needed, the amount of funding needed, and a specific plan for those funds. Those requests will be collected by the State Board before December 31 and sent to the State Board for consideration at the January meeting. The memorandum will also include the guidelines and rules for the reallocation of these funds and Ed Rolle said he would work with Board staff on the redistribution formula.

Robert Drechsler asked if the staff could look into the 15% set-aside statewide budget, specifically at the substantial amount of reserves. He said that if a decision is made to redistribute local area funds, a decision will need to be made on how the statewide reserve funds will be used. Chairman Fisher asked Mr. Drechsler if he and his Budget Committee could look into this matter. Mr. Drechsler said he would do that.

Information Item 5 – Program Year 2000 Performance Measures: Chairman Fisher said the Annual Report for Program Year 2000 was submitted to the U.S. Department of Labor on December 3 through direction of the U.S. Department of Labor. He reminded the Committee that the performance measure information provided at the November meeting was incorrect and

the staff of the Board worked with the Arkansas Employment Security Department and the Department of Information Services (DIS) to correct as many errors as possible before submission because changes would not be accepted after the deadline. He said the most up to date information was provided in the agenda book and represented the numbers submitted in the Annual Report. Chairman Fisher asked Ron Stone, Performance Manager, for an update and explanation on the performance measures.

Ron Stone explained that there were several factors that contributed to the inaccurate reporting of the performance data. He said some of those factors included:

- 1) Lack of required JTPA exit data and an incorrect date in AWIS;
- 2) Missing data which occurred during the transition from AWIS Phase I to Phase II;
- 3) AWIS programming errors;
- 4) Local data entry errors; and
- 5) Error in the original JTPA baseline data provided to DIS.

Ron said that with the assistance of the local areas, numerous corrections and updates were made, resulting in major increases to the reported performance levels. He said the information submitted to the U.S. Department of Labor reflected the State exceeding the negotiated level of nine (9) measures, achieving the negotiated level of one (1) measure, exceeding the 80% minimum level of six (6) measures, and falling below the negotiated and 80% minimum level of one (1) measure. In summary, the State met 16 of the 17 performance measures. He said there was one correction to the performance information for Northwest Arkansas. The negotiated performance level for the adult retention rate should be 80% and not 88% as reported, resulting in a decrease (8 to 7) in the number of measures not met and an increase (9 to 10) in the number of measures exceeded.

Ron Stone said the State fell below the Older Youth Credential Rate measure, but was within striking distance and it appears the State will not be eligible for an incentive grant. He explained that if a state's performance is unacceptable for two consecutive years for the same performance indicator, monetary sanctions might be imposed. Mr. Stone stated that discussion with local areas indicates the Older Youth Credential Rate is expected to improve for Program Year 2001. He said that even though the information presented to the U.S. Department of Labor may be considered final to them, the staff will continue to work with the two state agencies and local areas to correct errors and work out discrepancies.

Chairman Fisher thanked Mr. Stone for the report and said the staff should continue to work out the errors. He mentioned that Central met the most measures and Southeast met the least. He asked the staff to report the performance measures for all ten areas on a quarterly basis to the Board. He expressed his disappointment on the numbers but felt if the State had more time to correct the errors it would have been better. Chairman Fisher said the Program and Performance Evaluation Committee looked extensively at those measures and if they had negotiated lower, the U.S. Department of Labor would not have accepted them.

Robert Drechsler asked if the reporting system was mature enough to go forward with quarterly reporting. Mr. Stone stated that it was coming along but every new system would have some things to correct. He also reminded the Committee that most of the performance measures are

based on exiters, not just those served, so some of the numbers are bound to increase as more people are served. Chairman Fisher agreed that the performance numbers will improve. He also asked the Monitors and local areas to report to the State Board any positive news and information.

Other Business: Chairman Fisher asked if there was any other business to bring before the Board. Campbell Wilkerson asked about the information sent by Bill Sutton on the Northwest Strategic Planning Meeting. Mr. Sutton said Jim Stewart, member of the Northwest Board, was present to give a report on that meeting. Mr. Stewart said the meeting was 99% business representatives and focused on the vision of the local board. He said they tried to identify what could be done within the first year and set quarterly goals for the local board. He said the comments written on the handout mailed to the Executive Committee were notes taken from the Strategic Planning meeting. Campbell said he was concerned about the comments stating the State Board micromanaged. Chairman Fisher agreed that the State Board needs to hear specifics or they can't change. Mr. Sutton said he and Mr. Stewart would confer on the direction needed from the State Board. Chairman Fisher thanked Mr. Sutton and Mr. Stewart for the information and report. He reminded the Committee that a Workforce Conference has been scheduled for March to assist local board members and business representatives. He asked the staff to send a message to the local board chairs about the conference.

Announcements: Chairman Fisher announced that Dr. James Hendren and Dr. Kathy Matlock had resigned from the Board due to outside demands. He said replacements for both members have yet to be named. Chairman Fisher asked the Committee about meeting twice a year outside Little Rock. He said it seemed to be a strain on Committee members and the staff. **Motion was made by Karen McFarren, seconded by Mayor Joe Dillard, and carried unanimously for the Executive Committee to meet by teleconference once a quarter and in Little Rock for all other meetings.**

Adjourn: **With no other announcements, motion was made by Karen McFarren, seconded by Helen Moore, and carried unanimously to adjourn the meeting at 10:30 a.m.**

Bill Fisher, Chair

Jane English, Executive Director

Minutes Recorded by Christina Miller  
Workforce Investment Board Staff